

# **SOCIO-ECONOMIC DISTRESS IN PAKISTAN: A DIRECT CONSEQUENCE OF CONTRASTING PUBLIC POLICIES**

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## **Abstract**

Defining and interpreting socio economic status has become the most widely discussed issue among the researchers, due to its importance and contribution towards the policy making process. Public policies in Pakistan have never been so focused and intellectual as they are now these days. Presence of socio-economic distress has linkages with low socio-economic status at its back, which by extension, is due to weak public policies. Therefore, elimination of socio-economic distress seems rather trivial if the policy making is impeccable. Nevertheless, in the prevailing scenario of Pakistan, despite of having specialized policy makers implementing impeccable policies, the level of socio-economic distress has been found increasing. This paper attempts to examine the effects and relationship of historical public policies of Pakistan on prevailing socio-political economic distress. Since the current public policy is properly aligned with the prevailing issues, it is found that the increasing socio-economic distress in Pakistan is a direct consequence of contrasting public policies during the period of 80s and early 2000s.

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**Keywords:** Public Policy, Socio- political economic distress, Socio-economic status

## **Introduction**

Socio-economic distress is a widely used term among social scientists and it refers to the level of deterioration in the socio-economic status. Socio-economic status is a combined total measure devised by researchers to measure the class to which a person belongs based on his income, education and occupation. In its simplest form, the socio-political economic status is

the measurement of a person's performance in the society relative to others (McLaren, 2007).

Since socio-economic distress is determined using the socio-economic status, therefore, the factors that determine the level of socio-economic distress are more or less same that are useful in the determination of socio-economic class. These factors can generally be classified into two major categories i.e. Primary factors and Secondary factors.

The primary factors that determine the socio-economic class of a person are Occupation, Income and Education. Occupation refers to the job to which a person is committed to and has skills and educational background pertaining to it. Prestigious occupations such as doctors, physicians, lawyers and engineers contribute more towards the socio-economic class rather than other jobs. Income is another important determinant of socio-economic class and it refers to the annual earnings of a person or a family. Higher annual income reflects in higher socio-economic class and vice versa. Lastly, education is another important factor in the determination of SES. Highly qualified persons have edge over less qualified persons in the determination of their SES. It is pertinent to highlight that the retrogression of these factors is referred to as socio-economic distress (Leighley & Nagler, 1992).

Along with these primary factors, there are some secondary factors as well that are vital role player in the determination of a person's SES. These factors are found to be wealth, ancestral background and the race to which the person belongs. It is found through empirical researches that a big fortune correlates positively with the high SEC status (Hollingshead, 1975). Increasing levels of socio-economic distress in a country is alarming and harmful as it can have several negative impacts. Socio-economic distress relates to health issues and ignites the factors that contribute to the deterioration of the primary factors of SES. It has been observed by Richard G. Wilkinson, J. Lynch, and G.A. Kaplan that an increase in the level of socio-economic distress affects the health status seriously, even after controlling the factors like economic resources and access to health care facilities (Wilkinson, 1997) (Lynch & et. al. 1996).

In addition to this, according to a report of WHO, lower SES is the prime factor of chronic stress, premature aging and certain types of cancer and heart diseases. Therefore, on the basis of the socio-economic status and health conditions, the level of socio-economic distress can be found in a pretty straightforward manner. High level of socio-economic distress can be attributed to low socio-economic status and poor health conditions. In a similar manner, improvement in socio-economic status and health conditions can help reduce the socio-economic distress in the society.

The above mentioned factors that can influence the level of socio-economic distress need to be controlled via policy measures if the

maximization of the well-being of society is required. In case of Pakistan, where socio-economic distress is increasing regardless of technically sound policy measures indicates absurdity and contradiction to the generally accepted relationship between socio-economic status and socio-economic distress.

In order to clarify the prevailing scenario in Pakistan and to provide justifications of the socio-economic distress, following hypothesis is formulated to find out whether historical decision-making has some influence over the prevailing socio-economic distress or not.

H<sub>0</sub>: Historical Decision-making has no influence over the current socio-economic distress found in Pakistan

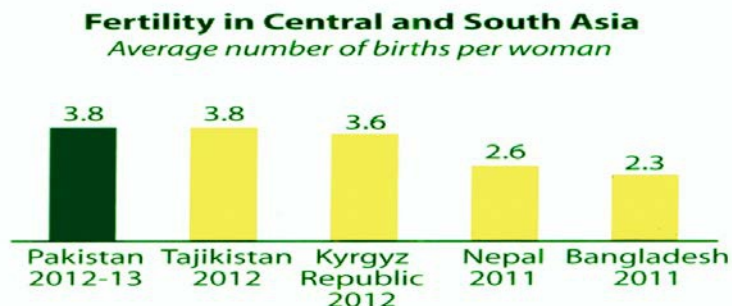
H<sub>1</sub>: The prevailing socio-economic distress in Pakistan is the aftermath of contrasting public policies

### Prevailing Socio-economic Indicators of Pakistan

In order to deduce the results regarding the socio-economic distress in Pakistan, it is important to have a quick overview of the socio-economic indicators and their prevailing statuses. The three prime SEC indicators under focus are Health, Education and Income, highlights of which are provided below respectively:

#### 1. Health:

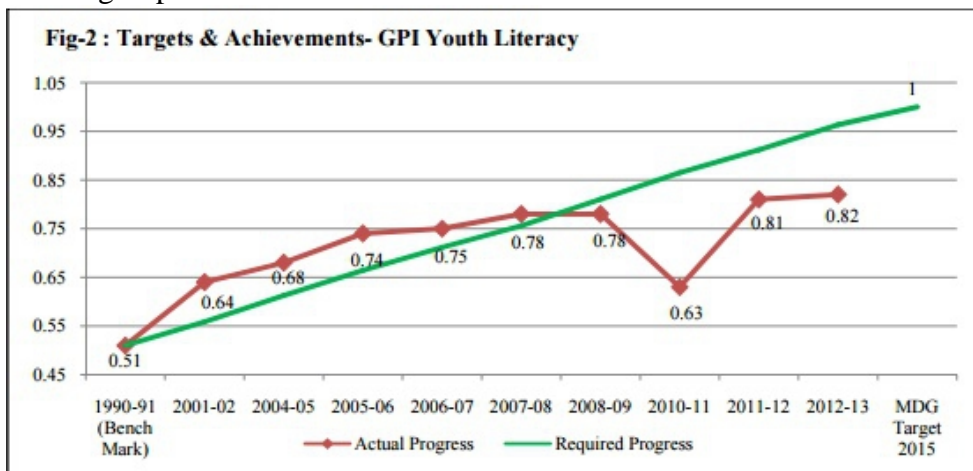
The nation of Pakistan has always been subjected to stark contrasts. This statement can be verified under the light of the latest issue of Pakistan Demographic Health Survey (PDHS) (Hussain & Bittles, 2004). The fertility rate is reported to be the highest in Pakistan in the whole central and south Asian region, however, lack of proper healthcare facilities and low literacy rate among the mothers have significantly increased the child mortality figures. Demarcation of the population according to the respective wealth quintiles, it is observed that women belonging from high socio-economic status have proper healthcare facilities at their disposal and mortality rate decreases threefold in their case (Khan & et. al. 2009).



Pakistan is marching towards the achievement of Millennium Development Goals (MDG). These goals are highlighted by United Nations as a guideline to uplift the third world countries from the dust and to ensure the safety and prosperity of mankind. The MDG no. 4 5 & 6 specifically address to the health issues. Nonetheless, Pakistan is lacking far behind the achievement of these goals. The under-five mortality is at 86 per 1000 live births, which needs to be curtailed to 46 as per the MDG (MDG Report). Moreover, the measles immunization is at 83% leaving Pakistan 17 percentage point behind the target rate (Fatmi & et. al., 2007). Further insights reveal that the maternal mortality rate (number of women who die during their pregnancy or in connection to it) in Pakistan is 280 deaths per 1000 live births and only 43% of the pregnancy cases are being treated by professional gynecologists. Moreover, Pakistan has shown no improvement in the area of reduction of communicable diseases such as HIV and Tuberculosis (Ronsmans & et. al, 2006).

## 2. Education:

In order to ascertain the education indicator properly, education survey of Pakistan has been followed to realize the trends and achievements. The gross enrollment ratio has increased two percentage points as well as the out of school rate has also decreased by one percentage point (in rural areas), showing improvement in the education sector.



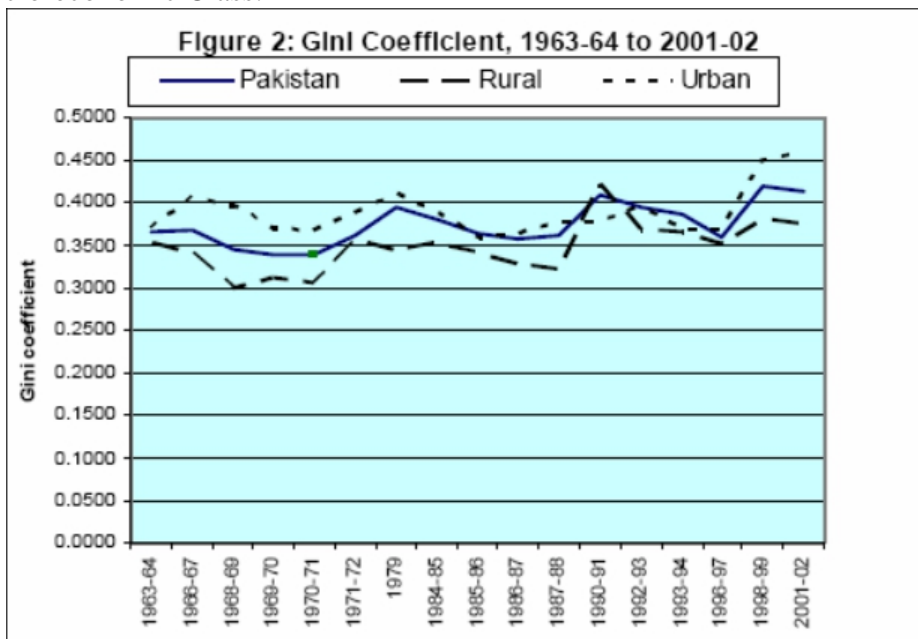
Source: (MDG Report)

However, the Quality of learning index strongly recommends not being baffled with the charming statistics. There is a drastic fall observed in the learning levels of all three competencies i.e. Language, Arithmetic and English. Only the province of Punjab seems to have improved learning levels, whereas FATA and Sindh are declared as the least satisfactory

regions . Enrollment ratios as well as the learning index levels are stagnant in urban areas, however, private sector absorbs a colossal share of school aged children, thereby making it expensive to get quality education in urban areas.

### 3. Income:

Income levels in Pakistan have been growing significantly from the past few years, but on the expense of growing income inequalities (Shahbaz, 2013). There are more than seven classifications based on the income levels of the individuals, which indicates the rising inequalities. According to the latest issue of PSLM, richer families are small in size as compared to the poor families. The large size of poor families makes it difficult to meet both the ends, which in turn compels everyone in the family to earn their own livelihood (Mujahid, 1978). There are vast imbalances found in the distribution of income. The Gini coefficient of Pakistan is around 30.2, whereas the economic survey of Pakistan reported the fact that consumption inequality in urban areas is higher than rural areas (Choudhry, 1982). Therefore, making income levels a declining factor in the evaluation of Socio-economic Class.



Source: (Anwar, 2005)

### Co-Relation with Previous Socio-Economic Indicators

It would be appropriate to start off the analysis of the public policy of Zia era from the very beginning. After the traumatic incident of 'Fall of Dhaka', Pakistan recovered its political environment with the government of PPP and Zulfikar Ali Bhutto, holding the portfolio of Prime Minister of

Pakistan. It was Bhutto who promoted Zia-ul-Haq to the rank of four stars, which was against the recommendation of General Tikka Khan (Noman, 1989).

Zia-ul-Haq is given due credit for promoting Islamic culture in the society of Pakistan. He was a staunch believer of the idea that since Pakistan got its independence on the name of Islam, therefore, it must be governed in accordance with the Islamic principles. However, his purpose was highly criticized for being self-serving rather than being beneficial for the community, at large (Ziring, 1988). In the very beginning of Zia's regime, the performance of primary indicators can be regarded as satisfactory when compared with the performance of indicators in the preceding years, nevertheless, the policy measures compelled the indicators to go down. Although, the transition of indicators from good to bad seems gradual, however, it was inevitable because of the contrasting policy measures.

While Zia was pushing hard to inflict Islamization centric policy measures that caused irreparable loss to the society, on the other hand it also constituted the basis for the downfall in the primary indicators of socio-economic status. The income levels (Inflation adjusted) were higher, as well as the education index (in terms of learning levels) were also good enough to supersede the prevailing indicators. Therefore, showing the deterioration of the primary indicators, causing drop in figures of socio-economic class.

The regime of Zia is not the sole responsible for the weakening of indicators, but the preceding eras of also adopted some stringent policy measures. This in turn proved to be of further assistance to the forced decision-making during Zia's regime and started piling up a wall against the prosperity of the primary indicators of SES. It was never predicted at that time that the prevailing Political instability, economic downturn and financial turmoil would end up being a catalyst for social distress in the future.

### **Distress and its Relation to Public Policies**

Socio-economic status is often related to public policy. Public policy is the amalgamation of all policies that the Government design and implement for the general welfare of people. SES directly depends on how the public policy is influencing specifically each individual and the society, on the whole. Depending on the implication of the public policy, SES can be measured of different households constituting the society. This SES measure than relates to the normal level of distress prevalent in the society. Distress itself is a very holistic word and has a broad meaning. This means that distress is a qualitative measure and encompasses SES as well.

These same concepts can be extended to the current Pakistani economy under PM Nawaz Sharif, who was elected with a large majority but

is struggling with a fragile economy and lawlessness issues which has led to cross – border infiltration, undefined political direction and SES going down, thereby, increasing the level of distress (Raja & Hussain, 2015). The civil society is also bombarded with issues that are well beyond their horizon and are a big mark on the performance of NGO's and other Governmental agencies. The Kasur debacle and Karachi Operation are just a few indictments of this Government which has raised several human rights concerns. These issues have magnified the troubles of the economy, which has already been affected by previous government's policies. It has been ironic the people's attention has been shifted from core issues to literally no – issues. One such example has been the tug of war between PML and PTI over election results. A senior official of the Government, none other than the Speaker of Parliament, has been disoriented since the Election Commission found electoral discrepancies in his constituency. The people are made part of these conspiracies deliberately so their focus from core issues is shifted (Shah, 2015).

The economy has been the epicenter of destruction since the business oriented leadership has taken the command. Fiscal policies have been largely contradictory, corruption has been widespread and placement in international economy is under question. The government ministers have been trying to deal with past debts which have been a direct consequence of previous debts taken by military governments for large defense expenditures. The government is also complaining about increasing birthrates noticeable in new urban centers and declining resources like Natural Gas and Electricity (Ali, Waqas & Ahmad, 2015). Moreover, the political and security conditions in a resource laden province, Balochistan, have been the last nail in the coffin. Other factors which have contributed to this distress have been the vague and at time inexplicable policies of Mr. Sharif's cabinet. These policies, sometimes, evade the general understanding of human thought, as they have been highly reactive like continuing ban on YouTube and putting delayed response to continuous Indian infiltration on the border. The state media has also been highly regularized and this has evaded foreign elements and contributions from it. The GEO and Axiom fiasco has been the main highlights of Sharif government, further leading to unemployment and distress in the society (TechJuice, 2015). Measures taken by Sharif government have been under extreme scrutiny after the Peshawar massacre. The response was a rather reactive and laid back one, and wasn't fresh. The establishment of speedy trial courts and re-enactment of capital punishment was taken as a revenge step since it was used as a weapon against political rivals in the past. The establishments of these courts were seen as the source of distress and were openly challenge by Justice Sajjad Ali Shah but were turned down by Sharif as he related that to the doctrine of need and attributed

it to the executive powers of the Parliament which didn't challenge this ordinance on the floor of house. Bar and bench both went for strike but Sharif didn't denounce his decision as he felt it was in the better interest of the democracy. This decision was seen by many experts as self – imploding yet the history of previous military interventions meant that Sharif had to deal with these issues of bar and bench closure (Waseem, 2012). Government obviously casted a typical right government conservative view in reading public sentiments. The nation showed that they want their basic needs to be fulfilled and the state of social violence and ethnic demarcations to end. Also, they now had this sense where they actually want the State to finally put an end to all the issues and they realized that these customized punishments was nothing but a way to penalize political rivals for their past conduct. While Sharif government was busy dealing with the judiciary, sectarian parties were busy in killing sprees across Punjab and various parts of Karachi. The mercantile center Karachi faced extreme lawlessness and many areas in the city were considered as no-go.

### **Effects of Distress in Today's Scenario**

Distress was a direct result of a rather very lenient policy towards sectarian parties who have been always tolerated by the establishment of the country. This can be linked to the previous Government of Zia which has been attributed to be the origin of sectarian violence, ultimately, leading to the current day terrorism in the country. This shall be discussed in detail in the succeeding topics. Only the ruling class and establishment have clearly gained advantage from this evil act. The role intelligence agencies and army has also been questioned at times by the expert. The influx of Afghan refugees and the dark times of early 90's was indeed a continuation of after – effects of Zia's politics. These small yet radical parties have been supported by religious parties as well as regional people. All this has been done in the name of Islam and the support for Muslim brothers in Afghanistan and Kashmir, with which Pakistan shares a common border. Although, not proclaimed by Pakistani authorities, yet, there is a certain connection of the army with these militant organizations in the past. The only good thing about this current Government has been a very controlled policy towards these militants, in the name of Zarb – e – Azab. The Afghan interests in Pakistan have continued for the past three decades, and the ever – presence of refugees, in the volatile provinces of Balochistan and Khyber means that the internal security of the country is always volatile. Recent killings of an American doctor and a social rights activist, with an attack on Ismaili Community van, all shows, that these episodes wouldn't have happened, has the previous governments controlled distress, as a result of terrorism and extremism, in the name of the religion. It can be easily ascertained with the



above discussion that the legitimacy of a certain episode becomes merely symbolic when politics invade religion.

### **Distress in Previous Eras**

Extremism was ever – prevalent in the Pakistani society since the independence of Bangladesh, but it was Zia's government that completely exploited it and gave it a free grooming hand. Unfortunately, the soul of that era is still present in the Pakistani society today. This had zero relevance with the dream of the father of the nation's dream for the country. New Pakistan still looks a distant thought since the leaders of today still lack sincerity and intent. The starting of Zia's regime had a positive outlook, yet no one expected it to fall down so emphatically in the succeeding regimes. The economy growth rates were better than that of Indian and the rate of agricultural expansion was twice than India. Soviet Union invasion softened the political pressures and increased foreign aids in the name of new refugees and defense of the country from the West. Absolute poverty went down as there was demand for Pakistani workforce in the Middle East, thanks to better foreign relations with Gulf countries, leading to a raise in FDI. The narcotic trade also strengthened the economy. All these factors show that economically the country was growing, yet the social component of distress was declining, making the society extremely vulnerable.

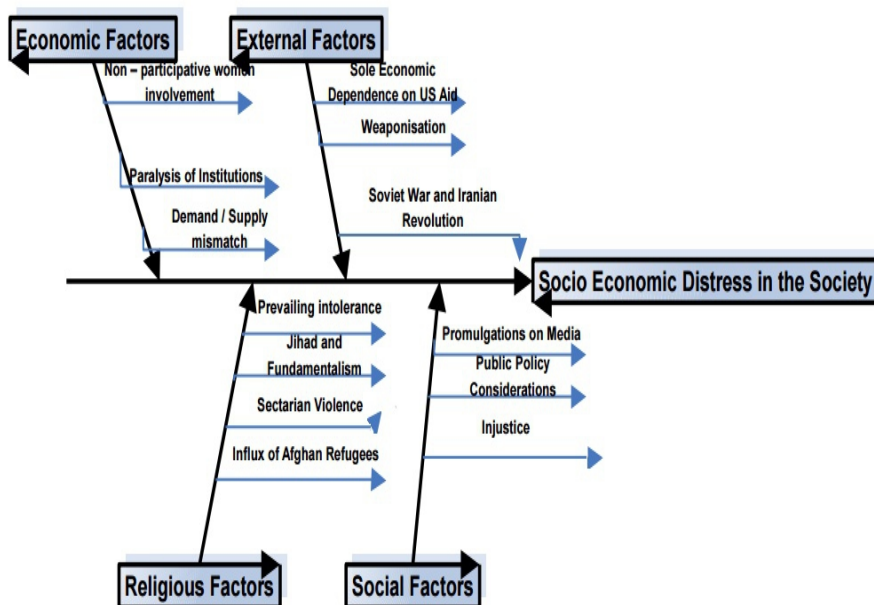
Following Zia's tenure was the musical chair period of Benazir and Sharif era, which continued collecting the aftermaths of Zia's remain. Slow economic growth and recurring foreign exchange markets crash symbolized this era, with IMF bailing Pakistan thrice. Poverty increased, inflation went up and the growth of economy was hampered due to trade embargos and weak economic infrastructure. Fiscal deficit rose and investment rate declined. On the social front, the law and order conditions in Karachi deteriorated, which is the major hub of Pakistani business activity and largest tax and revenue generator. The influx of militants in this city cause chaos and the army operation against a regional party, MQM, worsened city's condition and the city remain paralyzed for most of the time. Distress within the city increased and suicides increased. The religious policies of Zia continued with heavy proliferation of drugs and weapons from the western border of the country. Large caches of weapons were discovered many a times.

### **Methodology**

Root-Cause analysis is a method used to figure out the causes that lie behind the failure of a project (Rooney & Heuvel, 2004). The method of Root-Cause Analysis is employed in this study to determine the causes of socioeconomic distress in the Pakistan in the prevailing scenario. This

analysis will also be helpful in pin pointing the backward linkages of the current socio-economic distress with the inappropriate policy measures in previous eras.

**Ishikawa** diagram provided describes the factors that are found to be the driving force of socio-economic distress in Pakistan



## Conclusion

In the light of the above facts and figures, the proposed null hypothesis in the beginning of this paper cannot be readily accepted as the sources do not provide enough evidence in support of it; thereby leaving us to resort to the alternative hypothesis. It can further be concluded that the after – effect of Zia’s policy were well and truly seen even after his demise. The current conditions of the country can be even linked to the autocratic and socially distressful regime of Zia. The essence of a tolerant and educated Pakistani society diminished and radical changes were brought which led to socio – economic distress which is still prevalent today. Hence, the Pakistani society has evident turmoil and dissatisfaction and the dream of a welfare state, really looks a distant measure.

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